

Yorkshire Building Society

Vulnerable Customer Policy Overview

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1. Purpose

The Purpose of the Policy

The purpose of the Vulnerable Customer Policy is to set out our approach to identifying and interacting with vulnerable customers to ensure we deliver “fair customer outcomes”. A “fair customer outcome” is a wide definition and does not just relate to the avoidance of financial detriment, it includes instances which cause or could cause distress and inconvenience. The purpose of this policy document is to:

- Define what constitutes a vulnerable customer.
- Set out how customers will achieve a fair outcome.
- Outline the controls that ensure adherence to the Vulnerable Customer Policy.
- Outline how vulnerable customer consideration will be used to drive business improvements.

Applicable Regulations and Legislation

The YBS approach to the treatment of vulnerable customers evolves in line with consumer and Regulatory demands. Currently there are no overarching regulatory requirements in this area, however industry and regulatory best practice and guidance is monitored and reflected within the Policy. In addition, the Policy reflects YBS’s legal obligations:

- The Equality Act (2010) - No discrimination and making reasonable adjustments.
- General Data Protection Regulation - processing special category data.

Requirements of the Policy

To deliver fair outcomes to our customers we must consider the circumstances of each individual and in our dealings with them tailor our approach, removing any barriers that restrict the customer achieving a resolution and accessing our products and services.

YBS has no appetite for customer conduct failure. Our Conduct Risk Appetite states that “We will build trust and deliver fair outcomes by understanding our customers’ needs and vulnerabilities by meeting them appropriately.”

2. Scope

The Vulnerable Customer Policy applies to all brands within the Yorkshire Building Society (YBS); including agencies who act on behalf of the society and all services and products that are provided to customers or stakeholders. The standards set out in the policy will apply to third party providers, where the third party interacts directly with YBS customers. These requirements are set out in the YBS Standards For Suppliers Vulnerable Customer section.

This policy relates to the treatment of vulnerable customers.

3. Definitions

- **YBS vulnerable customer definition:** A vulnerable customer is someone who due to their current personal circumstances may be susceptible to detriment and therefore may require us to engage with them in a different way in order to meet their individual needs.
- **Stakeholder:** A person, company or group that hold the power or obligation to act on behalf of a group customer. The stakeholder may be in control of the asset in the interest of the beneficiary. Examples of stakeholders include but are not limited to; Solicitors and Power of Attorneys.
- **Third Parties:** YBS uses a number of third parties to provide elements of the overall product and service proposition. Depending upon the particular product and service, and supporting contract, the nature of the relationship can include:

- Product manufacturer (e.g. YBS-branded white label product)
 - Product business partner (e.g. YBS customers introduced to a third party)
 - Customer-facing service provider (under YBS or third party brand)
 - Non customer-facing supplier (e.g. provision of supporting service within wider Process)
- **Colleague:** YBS colleagues (permanent and temporary) and colleagues delivering services to the YBS as employees of third parties.
 - **Customer Facing Colleague:** is a colleague that will as part of their day to day routine, interact with customers through any channel.
 - **First Point of Contact (FPOC):** is the colleague/department, including 3rd parties and outsourced service providers, that is the first point of direct business interaction with customers identifying complaints.
 - **Non-customer facing areas:** is a department or team where colleagues will not typically engage with customers as part of their daily routine. They will predominately, but not exclusively, be located in the Business Direction and Business Enabling functions.
 - **Vulnerable Customer Panel:** is a defined member panel that sits to provide an escalation route for customers who are actually or potentially vulnerable and are at risk of unfair outcome and require solutions which fall outside of existing policy/procedure to remove barriers to them accessing a fair outcome.

4. Policy Statements

Vulnerable Customers

- The categorisation of a customer as “vulnerable” must consider a combination of factors including whether the vulnerability is either a permanent or a temporary situation for an individual. The basis of whether a customer is vulnerable, or not, must be assessed on a case by case basis and this assessment must take into account the key factors which may make them susceptible to unfair customer outcomes.
- The following are types of circumstances and characteristics may suggest vulnerability, but these are not exhaustive and the identification of vulnerable customers must be individual, responsive and aimed at removing barriers to accessing our products and services.

Age	Financial Hardship
Mental Health	Language Barriers
Low Income Levels	Mental Capacity Limitations
Addictions such as Gambling, Drink or Drugs	Life Changing Event
Medical / Health Condition	Victims of Financial Crime

Identification

- Customers may be recognised as potentially vulnerable through self-identification or through indicators the organisation identified. All colleagues have a duty of care to remove barriers for customers and should consider this overarching policy when interacting with any customer or potential customer to highlight and identify potential vulnerabilities.
- Customers must be able to contact us through any of our communication channels and by any reasonable means, which may include asking a third party representative to act on their behalf, to notify us of vulnerable circumstances without any barrier.

- A non-customer facing colleague that identifies a potential vulnerable customer must communicate the details to the Customer Solutions Team immediately, where exploration of circumstances will be completed by Customer Solutions in liaison with the non-customer facing colleague if required.

Treatment

- Due to the diversity of the factors that can contribute to the level of customer vulnerability there will not be one approach that can be adopted to fit each circumstance. The over-riding principle that must be adhered to by colleagues in their dealings with vulnerable customers is that fair outcomes are achieved throughout the customer journey, and any barriers are removed to access our products and services. It is therefore essential that colleagues take a flexible approach as our failures can lead customers to suffer financial and non-financial impacts.
- Colleagues must consider vulnerable customer needs in all interactions; alternative communication methods, such as Braille or Large Print, will be accommodated where possible to remove access barriers.
- Processes and procedures will be tailored to enable the identification and treatment of vulnerable customers specific to the nature of the product or services offered and our interactions with customers across the whole customer journey.
- Colleagues must offer those customers who have been identified as vulnerable, regular reviews at intervals appropriate to their circumstances to establish whether their classification and treatment continues to be appropriate.
- Colleagues must escalate individual cases where vulnerable customers are at risk of an unfair outcome with situations that fall out of existing policy / procedure to the Customer Solutions team for review. The Vulnerable Customer Panel may sit to determine the most suitable outcome for the customer.
- Colleagues must seek to provide additional support to enable customers to make informed decisions and maintain access to products and services.

Products and Channels

- Products will be designed by the appropriate product development team and will take into account vulnerable customer considerations; this will be managed under the product governance process.
- All products and channels including written, face to face, phone and online digital channel will be periodically reviewed based on an appropriate risk rating to ensure vulnerable customer considerations, this will be managed under the product and relevant channel governance processes.

Related Policies

- Other Group policies must pay consideration to the Vulnerable Customer Policy see section 1) Purpose, related policies and policy guides.
- There must be consultation and referral with the Vulnerable Customer Policy Owner and/or Sponsor, for other policies which are linked to this Policy prior to any related policies being changed. Changes should be heard through the Customer Services Division Risk Committee for oversight, to ensure all policies are attuned in their approach to consideration of vulnerable customers.

Third Party Relationships

- YBS works with a number of third parties in delivering products and services to customers. Colleagues, who manage third party relationships, where the third party interacts directly with YBS customers, are required to meet the expectations outlined in the Vulnerable Customer Standards for Suppliers. Depending on the service or product provided, vulnerable customers may be interacting

with either YBS or by the related supplier. In either situation, the Business Relationship Management approach will outline the process to be taken and the governance arrangements that support the delivery of this service.

Controls and Adherence

- The Vulnerable Customer Policy will be clearly signposted on the intranet and accessible by all colleagues.
- YBS operates a breach reporting process (defined separately), which could potentially result in a communication with the appropriate regulator.
- When reviewing a complaint or when assessing whether a breach of this policy and associated procedures has occurred, all colleagues must also consider whether a regulatory breach (including breach of a Conduct Rule or the wider requirements of Our Trust Code) has occurred. All suspected regulatory breaches (including breaches of Conduct Rules) must be reported through the Regulatory Compliance Breach Incident Reporting Procedure.
- Regulatory Policy and Advice scan the horizon to mitigate future issues and concerns by anticipating potential risks that may emerge and monitoring regulatory developments, sharing regular updates with key YBS stakeholders.
- YBS recording of sensitive personal data meets General Data Protection Regulation (GDPR) requirements, regarding each vulnerable customer record and additional support measures. This is in accordance with the Data and Record Retention Schedule, which supports the Information Management Policy. Records can be maintained for a minimum of 10 years.
- Customer Solutions provide regular and accurate reporting to senior management and Board, and Regulatory bodies.

5. Implementation and Monitoring

Implementation

- All customer facing colleagues are required to undertake and pass the 'Vulnerable Customers' e-learning test, on the intranet Learning Portal, annually and as a new starter. Customer Solutions monitor to ensure completion.
- Policy updates will be communicated via Newsfeed and any other appropriate mechanisms to cascade to colleagues will be agreed.
- The Resolution Delivery Team business partner to ensure all colleagues responsible for adherence understand requirements set out in the Policy.
- Customer Solutions will support colleagues to identify and implement appropriate customer treatment.

Monitoring

Vulnerable Customer MI is regularly reviewed by Customer Solutions to ensure regular oversight and adherence to the Vulnerable Customer Policy and associated guidance by colleagues.

Where issues/trends are identified which may suggest the Policy is not being followed, actions are formally tracked through Resolution Delivery Team Business Partner meetings and if required escalated through the Complaint and Vulnerable Customer Forum (quarterly basis), which is a sub-meeting of the Customer Service

Division Risk Committee.

There are also operational performance controls within business functions - whether mandate levels, in-built process controls, or management checking. The Senior Managers of First Point of Contact (FPOC) functions and Customer Solutions have primary responsibility for these controls to ensure adherence to this policy.

Additionally, a programme of oversight from 1st line risk teams and 2nd/3rd line functions will provide regular assurance and engagement from an independent perspective.

Oversight of Vulnerable Customer is undertaken by the following activities:

ACCOUNTABILITY	ROLE HOLDER (Director)
Quality Assurance (1st Line Risk)	Director of Customer Services
Group Training & Competency (T&C)	Director of Customer & Commercial Risk Management
Compliance Monitoring	Director of Compliance
Audit Monitoring	Chief Internal Audit Officer

Early notification of risks and issues will be reported to the Divisional Director of Risk in respect of any policy dispensations with a potential impact <£500k.

The Enterprise Risk Team will be notified in respect of any policy dispensation with a potential impact >£500k (N.B formal risk tolerance may be required if relevant).

6. Approval

The Vulnerable Customer Policy is approved by the Customer Services Division Risk Committee, Enterprise Risk Committee and Board.

The Vulnerable Customer Policy is annually reviewed and re-approved.